

Japan Catalyst, Inc.

Shareholder Proposal to Dai Nippon Printing Co., Ltd. (7912)

TOKYO, April 18, 2024 – Japan Catalyst, Inc. (hereinafter referred to as "JCI") implements an engagement investment strategy with regards to Japanese listed companies through the Monex Activist Mother Fund ("MAMF", a Japan-registered mutual fund) and the Japan Catalyst Fund ("JCF", a Cayman-registered corporate-type investment fund), to which JCI provides investment advice.

We have been engaged with Dai Nippon Printing, Co., Ltd. ("DNP"), a key investment for MAMF and JCF, from a long-term perspective. As part of our ongoing commitment, we have notified DNP of our intention to submit a shareholder proposal* for DNP's 130th Annual General Meeting of Shareholders scheduled for June 2024, to nominate Mr. Ken Kusunoki, a distinguished scholar, specializing in management, as an outside director.

In its mid-term management plan announced in May 2023, DNP outlined a strategic initiative to transform its business portfolio, including the reform of its restructured businesses. DNP holds technological advantages in sectors such as metal masks for organic EL displays, optical films for displays, and pouches for EV batteries, boasting high market shares and profit margins. On the other hand, DNP faces challenges in mature industries, particularly printing and packaging, where profitability is lower, underscoring a need for structural reforms. To enhance DNP's corporate value, we believe, it is essential to further refine the competitive edge of its strong businesses while securing profits through unique competitive advantages in mature markets.

Mr. Kusunoki is recognized as one of Japan's preeminent scholars specializing in management and competitive strategy. He possesses the essential insights required for DNP's future direction. His expertise extends beyond academia, with extensive experience as a committee member in governmental agencies, an advisory board member, and has acted as an outside director for listed companies, all contributing to the enhancement of corporate value across various firms.

His perspective is well articulated in his contribution to the Nikkei's "Economic Classroom" series on April 2, 2024, titled "Thriving Japanese Companies, Future Strategies, It All Depends on the Management." He emphasizes the critical importance of generating sustainable profits that exceed the cost of capital and asserts that long-term profit generation is the essence of management that unites all stakeholders. Furthermore, he argues that the key to competitive strategy is to establish a unique position within the industry, highlighting the significance of strategic positioning and a consistent strategic narrative. These insights are expected to serve as a guiding light for addressing DNP's challenges, and we are confident that Mr. Kusunoki's addition to the board will benefit various stakeholders and contribute to the enhancement of its corporate value.

Please note that Mr. Kusunoki will perform his duties as an outside director fully independently from JCI, Monex Asset Management Inc., (“MAM”), the manager of MAMF, and Gordian Capital Singapore Private Limited (“GCS”), the manager of JCF. He has no conflicts of interest, business relationships, obligations, or responsibilities with JCI, MAM, or GCS.

Through dialogue with various stakeholders, JCI is committed to promoting genuine corporate governance reform, aiming to advance Japan's capital markets, enhance corporate and stock values, and ultimately improve the productivity of Japan as a whole.

◆About Mr. Ken Kusunoki



Born on September 12, 1964.

Specially Appointed Professor at Hitotsubashi University Business School, specializing in competitive strategy.

Author of "*Looking Back to the Future*" (co-authored, Nikkei BP, 2020, in Japanese) and "*Competitive Strategy as a Story*" (Toyo Keizai, 2020, in Japanese), among others.

Biography:	
April 1992	Lecturer, Faculty of Commerce, Hitotsubashi University
April 1996	Associate Professor, Faculty of Commerce, Hitotsubashi University
April 2000	Associate Professor, Graduate School of International Corporate Strategy, Hitotsubashi University
April 2007	Associate Professor, Graduate School of International Corporate Strategy, Hitotsubashi University
April 2010	Professor, Graduate School of International Corporate Strategy, Hitotsubashi University
April 2019	Professor, Hitotsubashi University Business School
December 2019	Outside Director, Skymark Airlines Inc. (current position)
April 2023	Specially Appointed Professor, Hitotsubashi University Business School (current position)

*JCI has been delegated the authority to act as a sub-agent in this shareholder proposal by Monex Asset Management, Inc., the proxy agent for the Monex Activist Mother Fund.

This material is an English translation of a Japanese announcement made on the date above. Although the Company intended to faithfully translate the Japanese document into English, the accuracy and correctness of this English translation is not guaranteed and thus you are encouraged to refer to the original Japanese document.